

**LEGISLATIVE
RESEARCH COMMISSION**

PUBLIC TRANSPORTATION FINANCING



**REPORT TO THE
1991 GENERAL ASSEMBLY
OF NORTH CAROLINA
1991 SESSION**

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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



December 14, 1990

TO THE MEMBERS OF THE 1991 General Assembly:

The Legislative Research Commission herewith submits to you for your consideration its final report on Public Transportation Financing. The report was prepared by the Legislative Research Commission's Committee on Public Transportation Financing pursuant to Section 7 of Chapter 740 of the 1989 Session Laws, as amended by Section 2.4 of Chapter 1078 of the 1990 Session Laws.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "J. Mavretic".

Josephus L. Mavretic
Speaker

A handwritten signature in cursive script, appearing to read "Henson P. Barnes".

Henson P. Barnes
President Pro Tempore

Cochairmen
Legislative Research Commission

1989-1990

LEGISLATIVE RESEARCH COMMISSION

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PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1989 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Co-chairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Co-chairs, one from each house of the General Assembly, were designated for each committee.

The study of Public Transportation Financing was authorized by Section 7 of Chapter 740 of the 1989 Session Laws, as amended by Section 2.4 of Chapter 1078 of the 1990 Session Laws. The language of this section authorized the Legislative Research Commission to "make a comprehensive study of financing of public transportation in North Carolina, and contracting with the private sector for public transportation services, and report its interim recommendations to the 1989 Regular Session, (1990 Regular Session) and its final recommendations to the 1991 Regular Session of the General Assembly." The relevant portions of Chapter 740, as amended

by Chapter 1078, are included in Appendix A. The Legislative Research Commission grouped this study in its Transportation area under the direction of Representative Bowie. The Committee was chaired by Senator Aaron W. Plyler, Sr. and Representative Daniel T. Blue, Jr. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

COMMITTEE PROCEEDINGS

The Legislative Research Commission Public Transportation Financing Study Committee, originally established by Section 7 of the 1989 Session Laws, met five times from December 1989 to April 1990, and reported to the 1989 General Assembly. Details of the committee's work are available in the report of committee to the 1989 Session, available in the Legislative Library.

The 1990 General Assembly reauthorized the committee. Following reauthorization, the committee met three times, and below is a brief summary of each meeting. More detailed minutes of the committee's proceedings are available in the committee notebook in the Legislative Library.

Meeting on August 30, 1990

The first meeting of the LRC Public Transportation Financing Study Committee, following reauthorization by the 1990 Session of the General Assembly, was held August 30, 1990 at 10:00 a.m. in Room 1425 of the Legislative Building. The meeting was organized as a reintroduction to the topic, under the theme "Public transportation's importance to the economy and institutions of the community."

After reviewing the revised charge of the committee to continue its work and report to the 1991 Session, the committee heard from Mr. Jack Gilstrap, National Executive Vice President of the American Public Transportation. He spoke to the committee from a national perspective, highlighting the issues affecting the need for public

transportation: environmental concerns, congestion, energy dependence, and competitiveness. In discussing funding, Mr. Gilstrap mentioned state level funding options such as sales taxes, gasoline taxes, parking taxes, a lottery, tolls, bonds, and payroll taxes.

The next speaker, Mr. Steven Stroud, vice chairman of the Governor's Rail Task Force, emphasized the importance of public transportation to the business community.

Following Mr. Stroud, Mr. John Brantley, Director of the Raleigh Durham Airport, discussed the need for adequate public transportation to link the airport to the surrounding community, pointing out that the shortage of parking is already affecting airport employment.

Mr. Claude McKinney, Special Assistant to the Chancellor, Centennial Campus, NCSU, discussed the need for public transit between the north and south campus of the university.

Mr. Thomas Rhodes, Deputy Secretary, N. C. Department of Transportation, expressed his department's support of the committee's work.

Meeting on October 10, 1990

The second meeting of the reauthorized LRC Public Transportation Study Committee was held at 9:30 a.m. in the Charlotte Chamber of Commerce Action Center, 129 W. Trade St., Charlotte, North Carolina.

The first speaker was Jerry Blackmun, Mecklenburg County Commissioner. Mr. Blackmun spoke on behalf of the Carolinas Compact, a group of North and South

Carolina Counties that is interested in the transit needs of the Charlotte metro area. Of particular concern to the group is development of a regional transit authority, rail corridor preservation, development of regional rail and/or bus transit, and the Carolinas Parkway, a loop road encircling the region.

Following Mr. Blackmun, Mr. Terry Lathrop of the City of Charlotte Transportation Office gave an overview of the city's transit activities. He pointed out that the city's \$20 vehicle registration fee may need to be raised to cover the cities rising public transit costs.

Committee discussion following these presentations focused on the idea of a parking tax, based on number of parking spaces, as a source of funding for the public transit needs of the states urban areas.

Staff was instructed to pursue this idea, and present further information at the November meeting.

Meeting on November 13, 1990

The third and final meeting of the reauthorized LRC Public Transportation Financing Study Committee was held at 9:30 a.m. in Room 1027 of the Legislative Building.

The first speaker was Mr. Wendell Cox, a former Los Angeles transportation commissioner, and travel consultant. Mr. Cox presented information on the cost benefits of using private contractor to provide certain transportation services.

Following Mr. Cox, the Secretary of the N.C. Department of Transportation, Mr. Thomas Harrelson, presented an outline (see APPENDIX H) of a proposed \$20 million statewide public transportation program. Mr. Harrelson expressed hope that the 1991

reauthorization of the Federal Surface Transportation Act would provide additional funding to North Carolina, for this and other purposes.

Mr. Robert J. Godding, President of the N.C. Public Transportation Association, spoke next, urging the committee to consider a comprehensive \$42 million statewide public transportation funding program. (see APPENDIX G)

Committee discussion followed these speakers, and concluded with the committee making several findings and recommendations, which follow on page 7.

FINDINGS AND RECOMMENDATIONS

FINDING

The Legislative Research Commission Public Transportation Financing Study Committee Finds:

--House Bill 694, which became Chapter 740 of the 1989 Session Laws, authorized the creation of a new form of government in North Carolina, the regional public transportation authority.

--Since enactment of House Bill 694, Wake, Durham, and Orange Counties have joined together to form the Research Triangle Public Transportation Authority (RTRPTA). The mission of this Authority is to address the regional transportation needs of the Research Triangle Area.

--Currently, the Authority has no funding mechanism to carry out its mission of serving the transportation needs of those who live and work in the Triangle Area.

RECOMMENDATION

The Legislative Research Commission Public Transportation Financing Study Committee recommends that counties that are organizers of regional public transportation authorities, such as Wake, Durham, and Orange Counties, be authorized to levy, after public hearing, two taxes.

1. A rental vehicle surtax of up to \$2 per day, not to exceed \$60 per rental transaction; and

2. A parking privilege tax, not to exceed \$60 per space per year.

Revenues from these taxes would be used to fund the regional public transportation authority. It is the Committee's intent that counties levying these taxes make those persons subject to the tax aware of its intended use.

The text of these recommendations is included in Legislative Proposal I on page 36, and Legislative Proposal II on page 37.

FINDING

The Legislative Research Commission Public Transportation Financing Study Committee finds that private providers of public transportation services can be partners with public transportation operators, helping to reduce cost and serve the public more efficiently.

RECOMMENDATION

The Legislative Research Commission Public Transportation Financing Study Committee recommends that all providers of public transportation services give careful study and consideration to utilizing private providers of public transportation services, if doing so would improve service and reduce cost to the taxpayer.

APPENDIX A

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION
RATIFIED BILL

CHAPTER 1078
HOUSE BILL 296

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS, AND TO ALLOCATE FUNDS THEREFOR.

...

Sec. 2.4. Public Transportation Financing Study - continued (H.B. 2301 - Blue). Section 7 of Chapter 740 of the 1989 Session Laws reads as rewritten:

"Sec. 7. The Legislative Research Commission shall make a comprehensive study of financing of public transportation in North Carolina, and contracting with the private sector for public transportation services, and report its interim recommendations to the 1989 Regular Session, (1990 Regular Session) and its final recommendations to the 1991 Regular Session of the General Assembly."

...

Sec. 9.1. Section 3.2 of this act is effective June 30, 1990. The remainder of this act is effective July 1, 1990.

In the General Assembly read three times and ratified this the 28th day of July, 1990.

APPENDIX B

MEMBERSHIP OF LRC COMMITTEE ON PUBLIC TRANSPORTATION FINANCING

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APPENDIX C

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION
RATIFIED BILL

CHAPTER 740
HOUSE BILL 694

AN ACT TO AUTHORIZE CREATION OF A REGIONAL TRANSPORTATION
AUTHORITY.

The General Assembly of North Carolina enacts:

Section 1. Chapter 160A of the General Statutes is amended by adding a new Article to read:

"ARTICLE 26.

"Regional Public Transportation Authority.

"§ 160A-600. Title.

This Article shall be known and may be cited as the 'Regional Public Transportation Authority Act.'

"§ 160A-601. Definitions.

As used in this Article, unless the context otherwise requires:

- (1) 'Authority' means a Regional Public Transportation Authority as defined by subdivision (6) of this section.
- (2) 'Board of Trustees' means the governing board of the Authority, in which the general legislative powers of the Authority are vested.
- (3) 'Population' means the number of persons residing in respective areas as defined and enumerated in the most recent decennial federal census.
- (4) 'Public transportation' means transportation of passengers whether or not for hire by any means of conveyance, including but not limited to a street or elevated railway or guideway, subway, motor vehicle or motor bus, carpool or vanpool, either publicly or privately owned and operated, holding itself out to the general public for the transportation of persons within or working within the territorial jurisdiction of the Authority, excluding charter, tour, or sight-seeing service.
- (5) 'Public transportation system' means, without limitation, a combination of real and personal property, structures, improvements, buildings, equipment, vehicle parking or other facilities, railroads and railroad rights-of-way whether held in fee simple by quitclaim or easement, and rights-of-way, or any combination thereof, used or useful for the purposes of public transportation. 'Public transportation system' however, does not include streets, roads, or highways except those for ingress and egress to vehicle parking.
- (6) 'Regional Public Transportation Authority,' means a body corporate and politic organized in accordance with the provisions

of this Article for the purposes, with the powers and subject to the restrictions hereinafter set forth.

- (7) 'Unit of local government' means any county, city, town or municipality of this State, and any other political subdivision, public corporation, Authority, or district in this State, which is or may be authorized by law to acquire, establish, construct, enlarge, improve, maintain, own, and operate public transportation systems.
- (8) 'Unit of local government's chief administrative official' means the county manager, city manager, town manager, or other person, by whatever title he shall be known, in whom the responsibility for the unit of local government's administrative duties is vested.

"§ 160A-602. Definition of territorial jurisdiction of Authority.

An authority may be created for any area of the State that, at the time of creation of the authority, meets the following criteria:

- (1) The area consists of three counties;
- (2) At least one of those counties contains at least part of a County Research and Production Service District established pursuant to Part 2 of Article 16 of Chapter 153A of the General Statutes; and
- (3) The other two counties each:
 - a. Contain at least one unit of local government that is designated by the Governor of the State of North Carolina as a recipient pursuant to Section 9 of the Urban Mass Transportation Act of 1964, as amended; and
 - b. Are adjacent to at least one county that contains at least part of a County Research and Production Service District established pursuant to Part 2 of Article 16 of Chapter 153A of the General Statutes.

"§ 160A-603. Creation of Authority.

(a) The Boards of Commissioners of all three counties within an area for which an authority may be created as defined in G.S. 160A-602 may by resolution signify their determination to organize an authority under the provisions of this Article. Each of such resolutions shall be adopted after a public hearing thereon, notice of which hearing shall be given by publication at least once, not less than 10 days prior to the date fixed for such hearing, in a newspaper having a general circulation in the county. Such notice shall contain a brief statement of the substance of the proposed resolution, shall set forth the proposed articles of incorporation of the Authority and shall state the time and place of the public hearing to be held thereof. No county shall be required to make any other publication of such resolution under the provisions of any other law.

(b) Each such resolution shall include articles of incorporation which shall set forth:

- (1) The name of the authority;
- (2) A statement that such authority is organized under this Article;
and
- (3) The names of the three organizing counties.

(c) A certified copy of each of such resolutions signifying the determination to organize an authority under the provisions of this Article shall be filed with the Secretary of State, together with proof of publication of the notice of hearing on each of such resolutions. If the Secretary of State finds that the resolutions, including the articles of incorporation, conform to the provisions of this Article and that the notices of hearing were properly published, he shall file such resolutions and proofs of publication in his office and shall issue a certificate of incorporation under the seal of the State and shall record the same in an appropriate book of record in his office.

The issuance of such certificate of incorporation by the Secretary of State shall constitute the Authority a public body and body politic and corporate of the State of North Carolina. Said certificate of incorporation shall be conclusive evidence of the fact that such authority has been duly created and established under the provisions of this Article.

(d) When the Authority has been duly organized and its officers elected as herein provided the secretary of the Authority shall certify to the Secretary of State the names and addresses of such officers as well as the address of the principal office of the Authority.

(e) The Authority may become a Designated Recipient pursuant to the Urban Mass Transportation Act of 1964, as amended.

"§ 160A-604. Territorial jurisdiction of the Authority.

(a) The territorial jurisdiction of any authority created pursuant to this Article shall be coterminous with the boundaries of the three counties that organized it.

(b) Except as provided by this Article, the jurisdiction of the Authority may include all local public passenger transportation operating within the territorial jurisdiction of the Authority, but the Authority may not take over the operation of any existing public transportation without the consent of the owner.

(c) The Authority shall not have jurisdiction over public transportation subject to the jurisdiction of and regulated by the Interstate Commerce Commission, nor shall it have jurisdiction over intrastate public transportation classified as common carriers of passengers by the North Carolina Utilities Commission.

"§ 160A-605. Membership; officers; compensation.

(a) The governing body of an authority is the Board of Trustees. The Board of Trustees shall consist of 13 members, appointed as follows:

(1) The county with the greatest population shall be allocated five members to be appointed as follows:

a. Two by the board of commissioners of that county;

b. Two by the city council of the city containing the largest population within that county; and

c. One by the city council of the city containing the second largest population within that county;

(2) The county with the next greatest population shall be allocated three members to be appointed as follows:

a. One by the board of commissioners of that county;

b. One by the city council of the city containing the largest population within that county; and

c. One jointly by that board of commissioners and city council, by procedures agreed on between them;

(3) The county with the least population shall be allocated two members to be appointed as follows:

a. One by the board of commissioners of that county; and

b. One by the city council of the city containing the largest population within that county; and

(4) Three members of the Board of Transportation appointed by the Secretary of Transportation, to serve as ex officio nonvoting members.

(b) Voting members of the Board of Trustees shall serve for terms of four years, provided that one-half of the initial appointments shall be for two-year terms, to be determined by lot at the first meeting of the Board of Trustees. Initial terms of office shall commence upon approval by the Secretary of State of the articles of incorporation. The members appointed by the Secretary of Transportation shall serve at his pleasure.

(c) An appointing authority may appoint one of its members to the Board of Trustees. Service on the Board of Trustees may be in addition to any other office which a person is entitled to hold. Each voting member of the Board of Trustees may hold elective public office as defined by G.S. 128-1.1(d).

(d) Members of the Board of Trustees shall reside within the territorial jurisdiction of the Authority as defined by G.S. 160A-604.

(e) The Board of Trustees shall annually elect from its membership a Chairperson, and a Vice-Chairperson, and shall annually elect a Secretary, and a Treasurer.

(f) Members of the Board of Trustees shall receive the sum of fifty dollars (\$50.00) as compensation for attendance at each duly conducted meeting of the Authority.

"§ 160A-606. Voting; removal.

(a) Six members of the Board of Trustees shall constitute a quorum for the transaction of business. Except as provided by G.S. 160A-605(a)(4), each member shall have one vote.

(b) Each member of the Board of Trustees may be removed with or without cause by the appointer(s). If the appointment was made jointly by two boards, the removal must be concurred in by both.

(c) Appointments to fill vacancies shall be made for the remainder of the unexpired term by the respective appointer(s) charged with the responsibility for making such appointments pursuant to G.S. 160A-605. All members shall serve until their successors are appointed and qualified, unless removed from office.

"§ 160A-607. Advisory committees.

The Board of Trustees may provide for the selection of such advisory committees as it may find appropriate, which may or may not include members of the Board of Trustees.

"§ 160A-607.1. Special tax board.

(a) The special tax board of an authority shall be composed of two representatives from each of the counties organizing the authority appointed annually by the board of commissioners of each of those counties' members at the first regular meeting thereof in January, except that the initial members shall serve a term beginning on the date that the initial terms of the board of trustees of that authority begin under G.S. 160A-605(b), and ending on the last day of December of that year. Each member of the special tax board must be a member of the board of commissioners of the county by which he was appointed. Membership on the special tax board may be held in addition to the offices authorized by G.S. 128-1 or G.S. 128-1.1. Said representatives shall hold office from their appointment until their successors are appointed and qualified, except that when any member of the special tax board ceases for any reason to be a member of the board of commissioners of the county by which he was appointed, he shall simultaneously cease to be a member of said special tax board. Upon the occurrence of any vacancy on said special tax board, the vacancy shall be filled within 30 days after notice thereof by the board of commissioners of the county having a vacancy in its representation. Each member of the special tax board, before entering upon his duties, shall take and subscribe an oath or affirmation to support the Constitution and laws of the United States and of this State and to discharge faithfully the duties of his office; and a record of each such oath shall be filed in the minutes of the respective participating units of local government.

(b) The special tax board shall meet regularly at such places and on such dates as are determined by the special tax board. The initial meeting shall be called jointly by the chairmen of the boards of commissioners of the counties organizing the authority. Special meetings may be called by the chairman of the special tax board on his own initiative and shall be called by him upon request of two or more members of the board. All members shall be notified in writing at least 24 hours in advance of such

meeting. A majority of the members of the special tax board shall constitute a quorum. No vacancy in the membership of the special tax board shall impair the right of a quorum to exercise all the rights and perform all the duties of the special tax board. No action, other than an action to recess or adjourn, shall be taken except upon a majority vote of the entire authorized membership of said special tax board. Each member, including the chairman, shall be entitled to vote on any question.

(c) The special tax board shall elect annually in January from among its members a chairman, vice-chairman, secretary and treasurer, except that initial officers shall be elected at the first meeting of the special tax board.

"§ 160A-608. Purpose of the Authority.

The purpose of the Authority shall be to finance, provide, operate, and maintain for a safe, clean, reliable, adequate, convenient, energy efficient, economically and environmentally sound public transportation system for the service area of the Authority through the granting of franchises, ownership and leasing of terminals, buses and other transportation facilities and equipment, and otherwise through the exercise of the powers and duties conferred upon it, in order to enhance mobility in the region and encourage sound growth patterns.

Such a service, facility, or function shall be financed, provided, operated, or maintained in the service area of the Authority either in addition to or to a greater or lesser extent than services, facilities, or functions are financed, provided, operated, or maintained for the entirety of the respective units of local government.

"§ 160A-609. Service area of the Authority.

The service area of the Authority shall be as determined by the Board of Trustees consistent with its purpose, but shall not exceed the territorial jurisdiction of the authority and any area it may provide service to under G.S. 160A-610.

"§ 160A-610. General powers of the Authority.

The general powers of the Authority shall include any or all of the following:

- (1) To sue and be sued;
- (2) To have a seal;
- (3) To make rules and regulations, not inconsistent with this Chapter, for its organization and internal management;
- (4) To employ persons deemed necessary to carry out the functions and duties assigned to them by the Authority and to fix their compensation, within the limit of available funds;
- (5) With the approval of the unit of local government's chief administrative official, to use officers, employees, agents and facilities of the unit of local government for such purposes and upon such terms as may be mutually agreeable;
- (6) To retain and employ counsel, auditors, engineers and private consultants on an annual salary, contract basis, or otherwise for rendering professional or technical services and advice;
- (7) To acquire, lease as lessee with or without option to purchase, hold, own, and use any franchise, property, real or personal, tangible or intangible, or any interest therein and to sell, lease as lessor with or without option to purchase, transfer (or dispose thereof) whenever the same is no longer required for purposes of the Authority, or exchange same for other property or rights which are useful for the Authority's purposes, including but not necessarily limited to parking facilities;
- (8) To acquire by gift, purchase, lease as lessee with or without option to purchase or otherwise to construct, improve, maintain, repair, operate or administer any component parts of a public transportation system or to contract for the maintenance, operation

- or administration thereof or to lease as lessor the same for maintenance, operation, or administration by private parties, including but not necessarily limited to parking facilities;
- (9) To make or enter into contracts, agreements, deeds, leases with or without option to purchase, conveyances or other instruments, including contracts and agreements with the United States, the State of North Carolina, and units of local government;
 - (10) To surrender to the State of North Carolina any property no longer required by the Authority;
 - (11) To develop and make data, plans, information, surveys and studies of public transportation facilities within the territorial jurisdiction of the Authority, to prepare and make recommendations in regard thereto;
 - (12) To enter in a reasonable manner lands, waters or premises for the purpose of making surveys, soundings, drillings, and examinations whereby such entry shall not be deemed a trespass except that the Authority shall be liable for any actual and consequential damages resulting from such entries;
 - (13) To develop and carry out demonstration projects;
 - (14) To make, enter into, and perform contracts with private parties, and public transportation companies with respect to the management and operation of public passenger transportation;
 - (15) To make, enter into, and perform contracts with any public utility, railroad or transportation company for the joint use of property or rights, for the establishment of through routes, joint fares or transfer of passengers;
 - (16) To make, enter into, and perform agreements with governmental entities for payments to the Authority for the transportation of persons for whom the governmental entities desire transportation;
 - (17) With the consent of the unit of local government which would otherwise have jurisdiction to exercise the powers enumerated in this subdivision: to issue certificates of public convenience and necessity; and to grant franchises and enter into franchise agreements and in all respects to regulate the operation of buses, taxicabs and other methods of public passenger transportation which originate and terminate within the territorial jurisdiction of the Authority as fully as the unit of local government is now or hereafter empowered to do within the territorial jurisdiction of the unit of local government;
 - (18) To operate public transportation systems and to enter into and perform contracts to operate public transportation services and facilities and to own or lease property, facilities and equipment necessary or convenient therefor, and to rent, lease or otherwise sell the right to do so to any person, public or private; further, to obtain grants, loans and assistance from the United States, the State of North Carolina, any public body, or any private source whatsoever, but may not operate or contract for the operation of public transportation systems outside the territorial jurisdiction of the authority except as provided by subdivision (20) of this section;
 - (19) To enter into and perform contracts and agreements with other public transportation authorities, regional public transportation authorities or units of local government pursuant to the provisions of G.S. 160A-460 through 160A-464 (Part 1 of Article 20 of

Chapter 160A of the General Statutes); further to enter into contracts and agreements with private transportation companies, but this subdivision does not authorize the operation of, or contracting for the operation of, service of a public transportation system outside the service area of the authority;

- (20) To operate public transportation systems extending service into any political subdivision of the State of North Carolina unless a particular unit of local government operating its own public transportation system or franchising the operation of a public transportation system by majority vote of its governing board, shall deny consent, but such service may not extend more than 10 miles outside of the territorial jurisdiction of the authority, except that vanpool and carpool service shall not be subject to that mileage limitation;
- (21) Except as restricted by covenants in bonds, notes, or equipment trust certificates, to set in its sole discretion rates, fees and charges for use of its public transportation system;
- (22) To do all things necessary or convenient to carry out its purpose and to exercise the powers granted to the Authority;
- (23) To collect or contract for the collection of taxes which it is authorized by law to levy;
- (24) To issue bonds or other obligations of the Authority as provided by law and apply the proceeds thereof to the financing of any public transportation system or any part thereof and to refund, whether or not in advance of maturity or the earliest redemption date, any such bonds or other obligations; and
- (25) To contract for, or to provide and maintain, with respect to the facilities and property owned, leased with or without option to purchase, operated or under the control of the Authority, and within the territory thereof, a security force to protect persons and property, dispense unlawful or dangerous assemblages and assemblages which obstruct full and free passage, control pedestrian and vehicular traffic, and otherwise preserve and protect the public peace, health, and safety; for these purposes a member of such force shall be a peace officer and, as such, shall have authority equivalent to the authority of a police officer of the city or county in which said member of such force is discharging such duties.

"§ 160A-611. Authority of Utilities Commission not affected.

(a) Except as otherwise provided in this Article, nothing in this Article shall be construed to limit or otherwise affect the power or authority of the North Carolina Utilities Commission or the right of appeal to the North Carolina Utilities Commission as provided by law.

(b) The North Carolina Utilities Commission shall not have jurisdiction over rates, fees, charges, routes, and schedules of an Authority for service within its territorial jurisdiction.

"§ 160A-612. Fiscal accountability.

An Authority is a public authority subject to the provisions of Chapter 159 of the General Statutes.

"§ 160A-613. Funds.

The establishment and operation of an Authority are governmental functions and constitute a public purpose, and the State of North Carolina and any unit of local government may appropriate funds to support the establishment and operation of the

Authority. The State of North Carolina and any unit of local government may also dedicate, sell, convey, donate or lease any of their interests in any property to the Authority. An authority may apply for grants from the State of North Carolina, or from the United States or any department, agency, or instrumentality thereof. The Department of Transportation may allocate to an authority any funds appropriated for public transportation, or any funds whose use is not restricted by law.

"§ 160A-613.1. Competition.

No equipment of the authority may be used for charter, tour, or sight-seeing service.

"§ 160A-614. Effect on existing franchises and operations.

Creation of the Authority shall not have an effect on any existing franchises granted by any unit of local government; such existing franchises shall continue in full force and effect until legally terminated; further, all ordinances and resolutions of the unit of local government regulating local public transportation systems, bus operations, and taxicabs shall continue in full force and effect now and in the future, unless superseded by regulations of the Authority; such superseding, if any, may occur only on the basis of prior mutual agreement between the Authority and the respective unit of local government.

"§ 160A-615. Termination.

The Board of Trustees may terminate the existence of the Authority at any time when it has no outstanding indebtedness. In the event of such termination, all property and assets of the Authority not otherwise encumbered shall automatically become the property of the State of North Carolina, and the State of North Carolina shall succeed to all rights, obligations, and liabilities of the Authority.

"§ 160A-616. Controlling provisions.

Insofar as the provisions of this Article are not consistent with the provisions of any other law, public or private, the provisions of this Article shall be controlling.

"§ 160A-617. Bonds and notes authorized.

In addition of the powers granted by this Article, the Authority may issue bonds and notes pursuant to the provisions of the Local Government Bond Act and the Local Government Revenue Bond Act for the purpose of financing public transportation systems or any part thereof and to refund such bonds and notes, whether or not in advance of their maturity or earliest redemption date. Any bond order must be approved by resolution adopted by the special tax board of the Authority. To pay any bond or note issued under the Local Government Bond Act, the Authority may not pledge the levy of any ad valorem tax, but only a tax or taxes it is authorized to levy.

"§ 160A-618. Equipment trust certificates.

In addition to the powers here and before granted, the Authority shall have continuing power to purchase equipment, and in connection therewith execute agreements, leases with or without option to purchase, or equipment trust certificates. All money required to be paid by the Authority under the provisions of such agreements, leases with or without option to purchase, and equipment trust certificates shall be payable solely from the fares, fees, rentals, charges, revenues, and earnings of the Authority, monies derived from the sale of any surplus property of the Authority and gifts, grants, and contributions from any source whatever. Payment for such equipment or rentals therefore, may be made in installments; the deferred installments may be evidenced by equipment trust certificates payable solely from the aforesaid revenues or receipts and title to such equipment may or may not vest in the Authority until the equipment trust certificates are paid.

"§ 160A-619. Power of eminent domain.

(a) The Authority shall have continuing power to acquire, by gift, grant, devise, bequest, exchange, purchase, lease with or without option to purchase, or any other

lawful method, including but not limited to the power of eminent domain, the fee or any lesser interest in real or personal property for use by the Authority.

(b) Exercise of the power of eminent domain by the Authority shall be in accordance with Chapter 40A of the General Statutes.

"§ 160A-620. Tax exemption.

The property of the Authority, both real and personal, its acts, activities and income shall be exempt from any tax or tax obligation; in the event of any lease of Authority property, or other arrangement which amounts to a leasehold interest, to a private party, this exemption shall not apply to the value of such leasehold interest nor shall it apply to the income of the lessee. Otherwise, however, for the purpose of taxation, when property of the Authority is leased to private parties solely for the purpose of the Authority, the acts and activities of the lessee shall be considered as the acts and activities of the Authority and the exemption. The interest on bonds or obligations issued by the Authority shall be exempt from State taxes.

"§ 160A-621. Removal and relocation of utility structures.

(a) The Authority shall have the power to require any public utility, railroad, or other public service corporation owning or operating any installations, structures, equipment, apparatus, appliances or facilities in, upon, under, over, across or along any ways on which the Authority has the right to own, construct, operate or maintain its public transportation system, to relocate such installation, structures, equipment, apparatus, appliances or facilities from their locations, or, in the sole discretion of the affected public utility, railroad, or other public service corporation, to remove such installations, structures, equipment, apparatus, appliances or facilities from their locations.

(b) If the owner or operator thereof fails or refuses to relocate them, the Authority may proceed to do so.

(b1) The Authority shall provide any necessary new locations and necessary real estate interests for such relocation, and for that purpose the power of eminent domain as provided in G.S. 160A-619 may be exercised provided the new locations shall not be in, on or above, a public highway; the Authority may also acquire the necessary new locations by purchase or otherwise.

(b2) Any affected public utility, railroad or other public service corporation shall be compensated for any real estate interest taken in a manner consistent with G.S. 160A-619, subject to the right of the Authority to reduce the compensation due by the value of any property exchanged under this section.

(b3) The method and procedures of a particular adjustment to the facilities of a public utility, railroad or other public service corporation shall be covered by an agreement between the Authority and the affected party or parties.

(c) The Authority shall reimburse the public utility, railroad or other public service corporation, for the cost of relocations or removals which shall be the entire amount paid or incurred by the utility properly attributable thereto after deducting the cost of any increase in the service capacity of the new installations, structures, equipment, apparatus, appliances or facilities and any salvage value derived from the old installations, structures, equipment, apparatus or appliances."

Sec. 1.1. G.S. 40A-3(c) is amended by adding a new subdivision to read:

"(13) A regional transportation authority established under Article 26 of Chapter 160A of the General Statutes for the purposes of that Article."

Sec. 2. G.S. 159-81(1) reads as rewritten:

"(1) 'Municipality' means a county, city, town, incorporated village, sanitary district, metropolitan sewerage district, metropolitan water district, county water and sewer district, water and sewer authority, hospital authority, hospital district, parking authority, special

airport district, regional public transportation authority, and airport authority, a joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes, but not any other forms of local government."

Sec. 3. G.S. 159-44(4) reads as rewritten:

"(4) 'Unit,' 'unit of local government,' or 'local government' means counties; cities, towns, and incorporated villages; sanitary districts; mosquito control districts; hospital districts; metropolitan sewerage districts; metropolitan water districts; county water and sewer districts; regional public transportation authorities; and special airport districts."

Sec. 4. G.S. 159-48(e) reads as rewritten:

"(e) Each sanitary district, mosquito control district, hospital district, metropolitan sewerage district, metropolitan water district, county water and sewer district, regional public transportation authority and special airport district is authorized to borrow money and issue its bonds under this Article in evidence thereof for the purpose of paying any capital costs of any one or more of the purposes for which it is authorized, by general laws uniformly applicable throughout the State, to raise or appropriate money, except for current expenses."

Sec. 5. G.S. 159-51 reads as rewritten:

"§ 159-51. Application to Commission for approval of bond issue; preliminary conference; acceptance of application.

No bonds may be issued under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing unit shall file an application for Commission approval of the issue with the secretary of the Commission. If the issuing unit is a regional public transportation authority, the application must be accompanied by a resolution of the special tax board of that authority approving of the application. The application shall state such facts and have attached to it such documents concerning the proposed bonds and the financial condition of the issuing unit as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference to consider the proposed bond issue.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section."

Sec. 6. G.S. 159-85(a) reads as rewritten:

"(a) Neither the State nor a municipality may issue revenue bonds under this Article unless the issue is approved by the Commission. The State Treasurer or the governing board of the issuing municipality or its duly authorized agent, as the case may be, shall file an application for Commission approval of the issue with the secretary of the Commission. If the issuing municipality is a regional public transportation authority, the application must be accompanied by a resolution of the special tax board of that authority approving of the application. The application shall state such facts and have attached to it such documents concerning the proposed revenue bonds and the financial condition of the State or the issuing municipality, as the case may be, and its utilities and enterprises as the secretary may require. The Commission may prescribe the form of the application."

Sec. 7. The Legislative Research Commission shall make a comprehensive study of financing of public transportation in North Carolina, and

contracting with the private sector for public transportation services, and report its recommendations to the 1989 Regular Session, (1990 Regular Session) of the General Assembly.

Sec. 8. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 8th day of August, 1989.

JAMES C. GARDNER

James C. Gardner
President of the Senate

J. L. MAVRETIC

J. L. Mavretic
Speaker of the House of Representatives

Transit NOW Members

As of August 13, 1990

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Alliance of American Insurers
Alliance to Save Energy
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American Association of Retired Persons
American Consulting Engineers Council
American Insurance Association
American Lung Association
American Pedestrian Association
American Public Health Association
American Public Transit Association
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Transportation Communications Union
Transport Workers Union, AFL-CIO
Transportation Trades Department, AFL-CIO
United Auto Workers, AFL-CIO
United Transportation Union, AFL-CIO
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Wisconsin Power and Light Company
WR Lazard Laidlaw & Mead, Inc.

**TRANSIT NOW NATIONAL PUBLIC OPINION SURVEY ON
TRANSPORTATION ISSUES AND POLICIES
PRELIMINARY FINDINGS**

A. INTRODUCTION

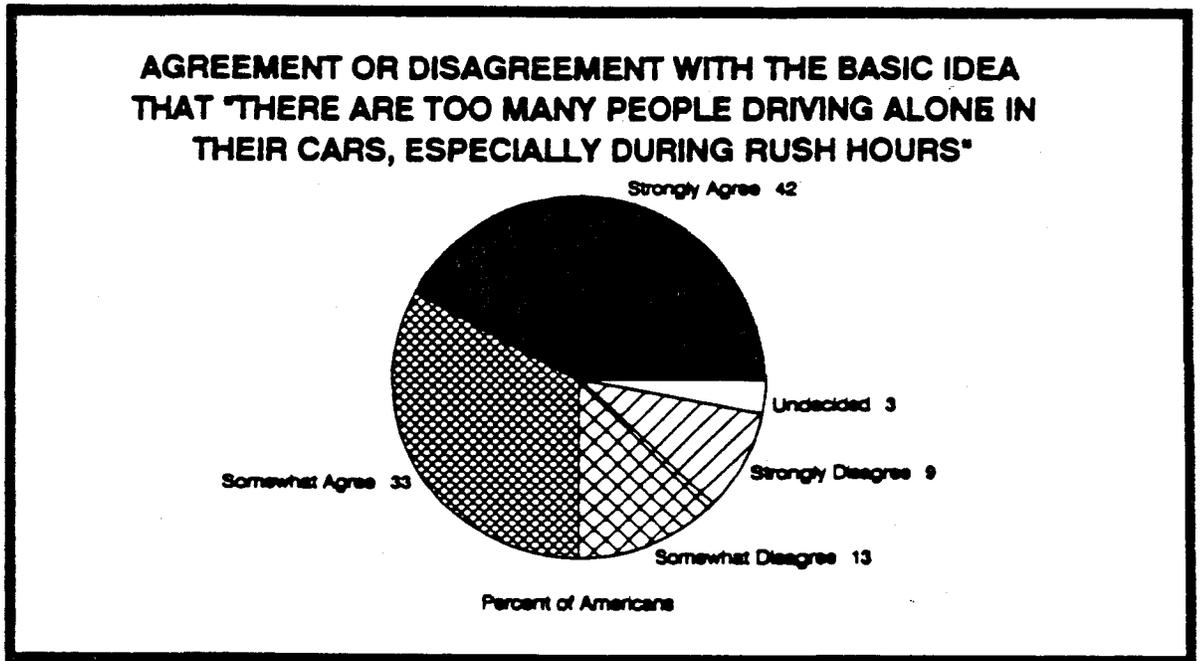
TRANSIT NOW has sponsored a national public opinion survey on transportation issues and policies. The survey was conducted by telephone with 1002 adults from June 7-17, 1990, with an estimated sampling error of $\pm 3.2\%$.

The survey covers a wide range of transportation issues and transportation policy alternatives and actions to address those issues. The findings discussed below represent a preliminary analysis of the response to several key questions, which will be analyzed by Region and demographic groups in the final report.

B. MAJOR FINDINGS

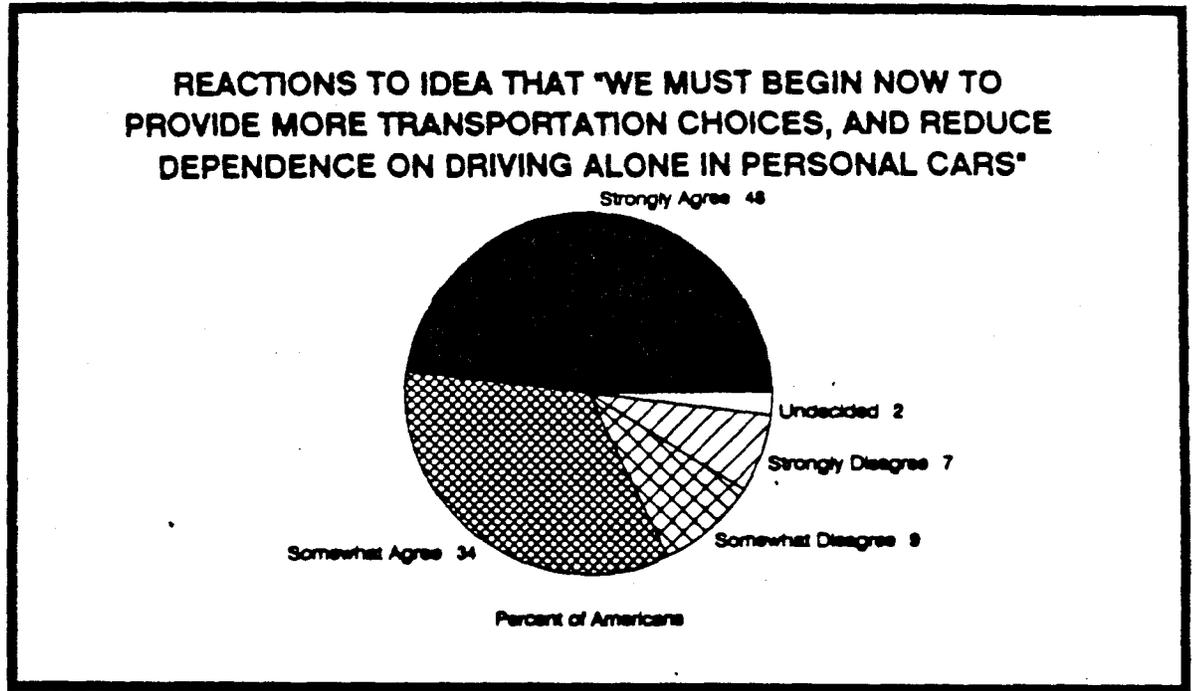
Americans appear to be interested in finding ways to reduce the incidence of one person per car driving on the nation's highways, particularly during busy commuting times. As shown in Figure 1, three quarters (75%) of Americans either "strongly agree" (42%) or "somewhat agree" (33%) that "there are too many people driving alone in their cars, especially during rush hours." Only 22% of Americans disagree with this idea, and 3% are undecided.

Figure 1



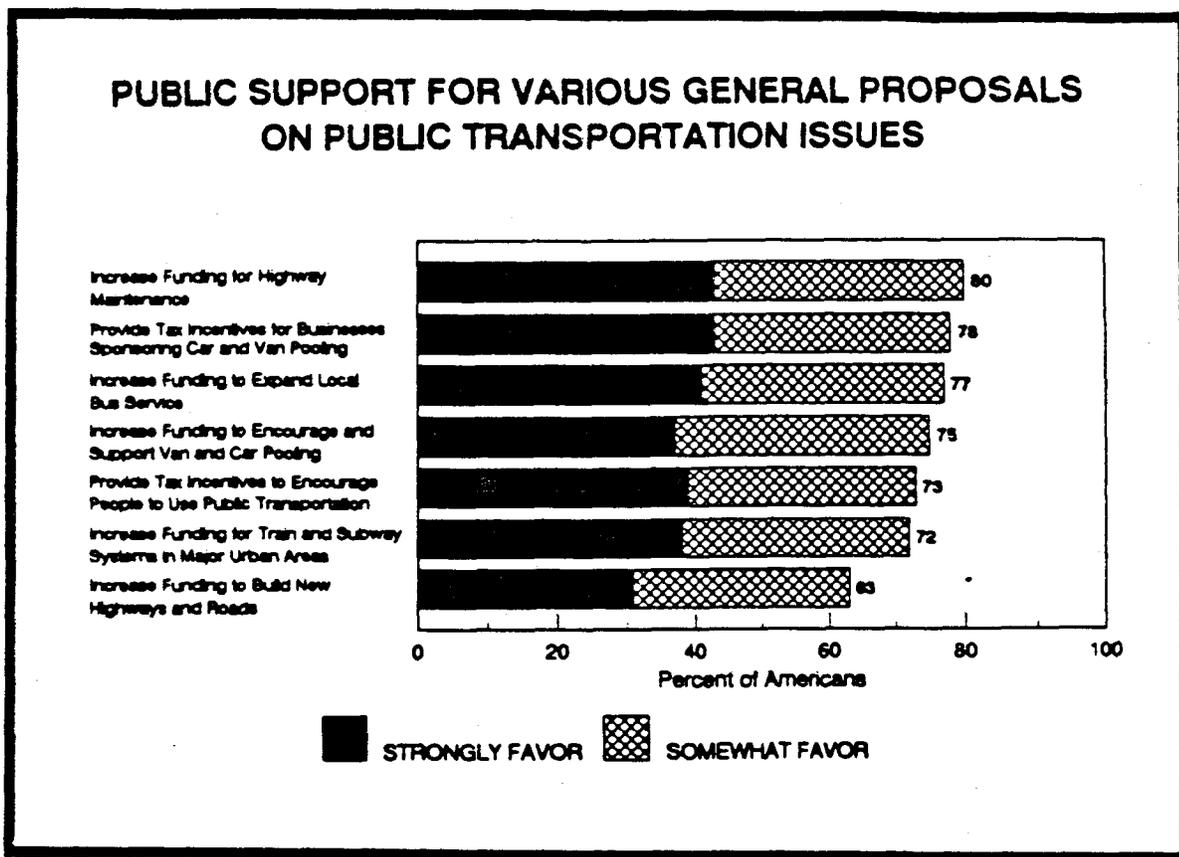
The data in Figure 2 suggest that there is also a "demand" characteristic to the national transportation agenda in terms of providing alternative transportation choices to driving personal cars. A total of 82% of Americans either "strongly agree" (48%) or "somewhat agree" (34%) with the idea that "we must begin now to provide more transportation choices, and reduce dependence on driving alone in personal cars."

Figure 2



There exists strong and consistent general public support for increased funding or tax incentives for various transportation actions. While 80% of Americans recognize the importance of better maintenance of our highways, 72%-78% of Americans support increased investment in and incentives for a wide range of public transit options, including tax incentives for business sponsorship of car and vanpooling (78%); increased funding to expand local bus service (77%); increased funding to encourage and provide for more ride-sharing opportunities (75%); tax incentives to encourage people to use public transportation (73%); and increased funding for trains and subway systems in major urban areas. Support also exists for increased funding to build more highways and roads (63%).

Figure 3



APPENDIX E

MEMORANDUM

AUGUST 29, 1990

TO: Representative Dan Blue
FROM: Ruth Sappie, Fiscal Research
RE: Update on Florida's surcharge on rental vehicles

As you know, Florida currently levies a \$2 surcharge on the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers regardless of whether such motor vehicle is licensed in Florida. The surcharge applies to only the first 30 days of the term of any lease or rental.

The \$2 surcharge is in addition to the levy of Florida sales tax on rental receipts. The \$2 is added to the total daily rental receipts on a vehicle, and then the state 6% sales tax is computed on this figure. Florida counties are authorized to levy a local sales tax up to 1%, and this levy is also applied, although the rates vary from county to county.

National research indicates that the daily rental of an automobile averages \$25 per day. Assuming that all taxes and fees imposed by the state are passed on to the consumer, someone who rents an automobile in Florida pays an additional \$3.89 per day to the state for the first 30 days of the rental agreement. That's a 16% increase above the actual cost of the service. Comparing that to North Carolina, our tax on rental receipts is 8% for the first 90 days, 3% thereafter. Using \$25 per day as an average, North Carolinians pay an additional \$2 per day to rent an automobile above the cost of the service in the first month of rental or lease agreement. The difference on an annual basis is \$292.50 for North Carolina, and \$589.20 for Florida, for a difference of \$296.70.

APPENDIX F

MEMORANDUM

OCTOBER 29, 1990

TO: Representative Dan Blue

FROM: Ruth Sappie, Fiscal Research

RE: Research to Date on Parking Tax

I've found two states to date that have written and passed authorizing legislation for the levy of taxes on commercial parking. They are Maryland and Washington.

In Montgomery County, Maryland, legislation at the county level was passed that would have levied an excise tax of \$3 per day on every parking space provided by a person or business for their employees. Residential parking and parking spaces provided for business customers were exempt. At the moment, the bill is dead, because the County Executive has the authority to veto legislation, and he did. There is talk of bringing it back next year, especially since the man who vetoed the bill lost his party's primary recently. The person who won supports the parking tax. However, the business community in Montgomery County (cities of Silver Spring, Rockville, Bethesda) are very much opposed to the excise tax, and they are supporting a write-in campaign of the County Executive who vetoed the original legislation. Business opposes the bill on the grounds that they can't pass the cost on to their employees, therefore the tax is an anti-business tax. Apparently, the business community expects that the additional cost would reduce employee demand for parking spaces, and they would not be able to recover the costs of construction and the ongoing costs of maintenance and property taxes. But reducing demand for parking and therefore reducing traffic congestion was exactly the intent of local government policy-makers. It appears that a consensus must be reached on this issue with the business community before a levy of this type is enacted; otherwise the legislation is doomed to failure.

The state of Washington took a different approach to the same issue. The state legislature authorized municipalities to levy as many as ten to twelve local option taxes that could be dedicated to transportation during the last session. Examples of taxes authorized are a motor vehicle excise tax, an employee commuter tax, and authority to levy a tax on commercial parking. Staff members of the Seattle Transportation Department indicate there were basically two reasons why the legislation passed:

1. There has been a strong interest in traffic demand management (minimization of congestion) in the state for many years, and
2. The legislation left most of the details of the administration of the taxes to be worked out by the individual municipalities

The city of Seattle is using a consensus approach to determine which taxes to levy and how they could best be administered. A committee has been formed that is looking at the menu of all local option taxes authorized and will make recommendations to the City Council within the next six months. A sub-committee is specifically looking at the commercial parking tax. Members of the sub-committee include staff members of the city Department of Transportation, members of the Chamber of Commerce, and researchers from the University of Washington who are the staff people who prepare the information for the committee that will be the basis for the final recommendations. The university people are on contract to the sub-committee and are being paid with an 80% grant from UMTA, \$10,000 from the legislature, and another \$10,000 from the city of Seattle, for a total of a little over \$100,000. Their job is to research the world of parking taxes, winnow out the infeasible options, and then focus on the administrative details of what could work in the city of Seattle given its current tax and fee structure.

The main objective of the sub-committee is to avoid a political mess such as Maryland found themselves embroiled in when they tried to unilaterally levy a parking tax without prior input from the business community. The sub-committee will chose a levy that will be collected on commuters, because a direct levy on the actual users of parking spaces is the most effective method to manage demand for parking.

In conclusion, the Seattle approach to the Triangle Transit Authority funding dilemma appears that it could work here in North Carolina. A local option tax has been requested from the Authority since the beginning, and the administrative details should be worked out by the local staff and approved by local government councils.

APPENDIX G

NORTH CAROLINA PUBLIC TRANSPORTATION ASSOCIATION, INC.

PROMOTING PUBLIC TRANSPORTATION IN NORTH CAROLINA

POST OFFICE BOX 246

HENDERSON, NORTH CAROLINA 27536

November 9, 1990

The Honorable Jim Martin
Office of The Governor
State Capitol Building
Raleigh, North Carolina 27603

Dear Governor Martin:

I am writing on behalf of the North Carolina Public Transportation to urge you to support dedicating \$42 million per year for a statewide public transportation program. Increased demand for public transportation service and increased costs of providing public transportation service call for an expanded statewide program.

The demand for public transportation services in North Carolina has been increasing in recent years and is expected to continue to increase in the future. Among the factors contributing to an increase in the demand for public transportation services are the rapid increase in gasoline prices, national and state dependence on foreign oil, violations of national ambient air quality standards in metropolitan counties, the aging of our population and traffic congestion.

Buses should be replaced every twelve years; vans, every five years. Many urban systems operate fourteen plus year old buses. The average age of human service fleet vans is six and a half years old. New urban routes and rural systems need to be added to keep up with demand. Urban regions are organizing regional transit authorities.

Complying with the Americans With Disabilities Act, the new Clean Air Act and other federal requirements will increase the capital and operating costs of providing public transportation services. However, no increase in federal funds for public transportation is likely, and competition for local property tax revenues is intense. I know that you have been fighting for a greater return of federal transportation dollars to North Carolina, but State capital and operating assistance is also needed.

In addition to meeting increased demand and costs, a statewide public transportation program would increase economic development would create jobs and would expand opportunities for private transportation operators to provide transit services.

The N. C. Public Transportation Association recommends the following \$42 million statewide public transportation program:

- *\$4 million per year for operating elderly and handicapped services;
- *\$6 million per year for capital to replace vans and related equipment for coordinated human service agencies;
- *\$5 million per year to rural and small urban public transportation systems for capital and operating assistance;
- *\$13.5 million per year to fixed route/urban systems for capital (\$7.5 million for programmed replacement of old buses and related equipment and expansion of service) and operating assistance (\$6 million);
- *\$4 million per year to acquire and restore railroad corridors not including operating intercity railroad passenger service;
- *\$1.5 million per year for planning public transportation projects; and
- *\$8 million per year to Public Transportation Division for discretionary capital grants for projects such as new starts, transit facilities, park and ride lots, ridesharing programs and regional facilities, but not for replacing buses or for operating intercity railroad passenger service.

The N. C. Public Transportation Association supports dedicating a percentage of a tax on sales of motor fuel or dedicating about \$7 per year from motor vehicle registration fees to fund a statewide public transportation program. The Association supports a transportation-based tax or fee to pay for public transportation programs.

The N. C. Public Transportation Association commends you and your Public Transportation Division for restoring passenger railroad service between Charlotte and Rocky Mount. The Association supports your Passenger Railroad Task Force's recommendation for a second passenger train.

The Association understands that operating and capital funds for intercity rail service were provided to the Department of Transportation by Representative George Miller's amendment to the Highway Trust Fund Act of 1989. Representative Miller's amendment authorized up to \$5 million per year for public transportation.

The Association also thanks you and your administration for supporting establishment and funding of regional public transportation authorities.

Page 3

Convenient, safe, affordable and efficient public transportation is important to North Carolina's economic and environmental future. The N. C. Public Transportation Association strongly urges you to support dedicating \$42 million per year to create an effective statewide public transportation system,.

Thank you for your consideration.

Sincerely,


Robert J. Godding, President
N. C. Public Transportation Association

cc: The Honorable Tommy Harrelson
The Honorable Dan Blue
The Honorable Aaron Plyler

PUBLIC TRANSPORTATION & RAIL NEEDS

SUMMARY

Explanatory Notes for \$20 Million Public Transportation and Rail Program

APPENDIX H

- I. **\$ 3 Elderly & Handicapped Transportation Program. Formula-based operating assistance to counties.**
 - I. There is currently a \$2 million annual appropriation from the Highway Fund for this program. The program has been well received. The only prerequisite is that the county must have an approved and implemented transportation development plan in order to receive funds. Funds are used to provide service to individuals who are not human service agency clients or for whom human service funds are not available. Primary beneficiaries: councils on aging, sheltered workshops, out-of-county medical trips.
Note: Approval of a statewide public transportation program which included this element would release the \$2 million currently appropriated from the Highway Fund for highway needs.
- II. **4 Rail Branch Line Rehabilitation and Corridor Protection.**
 - II. Shortline railroad rehabilitation and rail corridor preservation are essential if we are to preserve the rail transportation alternative. At present we hold over \$4 million in rail revitalization assistance requests, with an annual revenue of less than \$125,000 with which to meet them. There is also an immediate need to acquire and manage the rights-of-way of almost \$10 million worth of rail corridors threatened with abandonment. Acquisition of these corridors must be underway in FY '92 at the latest, or the corridors could be lost forever. Additional high priority rail corridors with a value in the \$40 to 50 million range are likely to require protection over the next six years. These linear rights of way are invaluable to preserving our transportation options for the future.
- III. **5 Formula-based operating assistance to the state's 16 fixed-route bus systems.**
 - III. North Carolina's transit systems currently receive approximately \$11.2 million/yr. in federal transit operating assistance. This amount is down from approximately \$20 million per year in the mid eighties. The state provides no operating assistance now. Thus, local governments have had to cover reductions in federal funds, inflationary cost increases and needed service expansion from their own resources. State assistance is necessary to sustain healthy transit systems which can respond to the demands of growth and improve roadway passenger capacity.
- IV. **2 Capital and administrative assistance to rural and small urban general public transportation systems (Section 18).**
 - IV. In FY 90, North Carolina had available approximately \$2,190,151 to assist thirty Section 18 (rural and small urban) systems with their capital and administrative needs which were in excess of \$4 million. Local capital needs would have been much higher if funds were available for expansion vehicles and to replace vehicles in a more timely manner. Currently the vehicles in the statewide fleet average over 6 years of age and 120,000 miles (i.e. average age and mileage are both over replacement standards). Limited funds have restricted the ability of most systems to meet their growing needs.
- V. **5 Public Transportation discretionary grant program. May be used for multiple purposes, including transportation facilities, park and ride lots, replacement and expansion transit vehicles, other urban capital, ridesharing and regional needs.**
 - V. Transportation studies evaluating facility needs are currently underway in Asheville, Charlotte, Greensboro, and Durham. Depending on facility type, size, and location, approximately \$12-\$14 million could be needed within the next 12-18 months. Requests for park and ride lots are increasing as the State's urbanized areas expand. Capital replacement needs for elderly and handicapped vehicles exceed \$2 million annually and will increase as our population grows older. Where federal funds are available, matching requirements for nonfederal share (state and local) are increasing.
- VI. **1 Public transportation planning, rural and urban areas.**
 - VI. Funds to meet public transportation planning needs in rural and urban areas will exceed \$1.7 million in FY 91. As federal regulations increase (eg. clean air, American with Disabilities Act, etc.) and less funds are available to meet operating and capital needs, funds are being diverted from planning.

\$20 Million Total

52

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

D

90d-RW-120

THIS IS A DRAFT 18-DEC-90 10:26:08

Short Title: Public Transit Parking Tax.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE COUNTIES THAT ARE ORGANIZERS OF A PUBLIC
3 TRANSPORTATION AUTHORITY TO LEVY A PARKING PRIVILEGE TAX.
4 The General Assembly of North Carolina enacts:
5 Section 1. Chapter 105 of the General Statutes is
6 amended by adding a new Article to read:
7 "Article 5C
8 "Parking Privilege Tax
9 "§ 105-187.30. Purpose.
10 The purpose of this Article is to authorize counties that are
11 organizers of a regional public transportation authority to levy
12 a tax on the privilege of providing parking. The regional
13 transportation authority must use the proceeds of the tax as
14 provided by G.S. 160A-610.
15 "§ 105-187.31. Definitions.
16 The following definitions apply in this Article:
17 (1) Authority.-- Defined in G.S. 160A-601(1).
18 (2) Parking space.-- An area designated primarily for
19 the purpose of parking a motor vehicle.
20 "§ 105-187.32. Privilege tax on parking.

1 (a) Levy. After receiving a resolution from the authority
2 supporting levy of a parking privilege tax, a county that is an
3 organizer of an authority may levy by vote of the county
4 commissioners a privilege tax on parking spaces. The tax shall
5 not to exceed sixty dollars (\$60.00) per space per year. All
6 counties that are organizers of an authority must hold public
7 hearings before levy, increase, decrease, or repeal of the
8 parking privilege tax, after not less than 10 days' public
9 notice. The resolution of the county levying the tax shall set
10 the effective date of the tax at the first day of the month, and
11 provide that the tax shall not become effective unless each
12 county which organized the authority levies the tax. No parking
13 privilege tax shall be levied on parking ancillary to a private
14 residence.

15 (b) Payment of tax. The parking privilege tax shall be paid
16 yearly to the county tax collector by the person providing the
17 parking for each space used during the year for parking.

18 (c) Administration. The county tax collector shall transfer
19 the proceeds of the tax to the authority. The authority must
20 provide annually to each county that is an organizer of the
21 authority written documentation of the use of the parking
22 privilege tax receipts, including a copy of its annual audit
23 required under G.S. 159-34. The county may retain a portion of
24 the parking privilege tax receipts as reimbursement for the cost
25 of collection.

26 (d) Repeal. Once levied, the parking privilege tax may be
27 increased, decreased, or repealed with the approval of the county
28 commissioners of any county that sponsored the authority. Any
29 repeal or decrease of the tax must take effect at the end of the
30 fiscal year, and at least three months after the date of repeal.
31 If a county repeals or decreases the tax, it will remain liable
32 for any outstanding obligations of the authority."

33 Sec. 2. This act is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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90d-RW-119

THIS IS A DRAFT 18-DEC-90 10:26:55

Short Title: Public Transit Rental Vehicle Surtax. (Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE COUNTIES THAT ARE ORGANIZERS OF A PUBLIC
3 TRANSPORTATION AUTHORITY TO LEVY A RENTAL VEHICLE SURTAX.
4 The General Assembly of North Carolina enacts:
5 Section 1. Chapter 105 of the General Statutes is
6 amended by adding a new Article to read:
7 "Article 5B
8 "Rental Vehicle Surtax
9 "§ 105-187.20. Purpose.
10 The purpose of this Article is to allow counties that are
11 organizers of a regional public transportation authority to levy
12 a surtax on rental vehicles. The regional transportation
13 authority must use the proceeds of the surtax as provided by G.S.
14 160A-610.
15 "§ 105-187.21. Definitions.
16 The following definitions apply in this Article:
17 (1) Authority. Defined in G.S. 160A-610(1).
18 (2) Motorcycles. Defined in G.S. 20-4.01.
19 (3) Private passenger vehicles. Defined in G.S.
20 20-4.01.

1 "§ 105-187.22. Rental Vehicle Surtax.

2 (a) Levy. After receiving a resolution from the authority
3 supporting levy of a surtax on rental vehicles, a county that is
4 an organizer of an authority may levy by vote of the county
5 commissioners a surtax on the commercial lease or rental of a
6 private passenger motor vehicle or a motorcycle. The surtax may
7 not exceed two dollars (\$2.00) per day or part of a day, or sixty
8 dollars (\$60.00) per rental or lease transaction. Before
9 levying, increasing, decreasing, or repealing a tax under this
10 section, the county must hold public hearings, after not less
11 than 10 days public notice. The resolution of the county levying
12 the tax shall set the effective date of the tax on the first day
13 of the month, and provide that the tax shall not become effective
14 unless each county which organized the authority levies the tax.

15 (b) Payment of tax. The surtax shall be collected from lessors
16 and renters of private passenger motor vehicles and motorcycles
17 by the Department or Revenue, on the same schedule provided in
18 Article 5 of this Chapter for the collection of sales tax.

19 (c) Administration. The Department of Revenue shall transfer
20 the proceeds of the tax quarterly to the authority. The
21 authority must provide annually to each county that is an
22 organizer of the authority written documentation of the use of
23 the surcharge, including a copy of its annual audit required
24 under G.S. 159-34. The Department of Revenue may retain a portion
25 of the parking surtax as reimbursement for the cost of
26 collection.

27 (d) Repeal. Once levied, the rental vehicle surtax may be
28 increased, decreased, or repealed with the approval of the county
29 commissioners of any county that sponsored the authority. Any
30 repeal or decrease of the surtax must take effect at the end of
31 the fiscal year, and at least three months after the date of
32 repeal. If a county repeals or decreases the surtax, it will
33 remain liable for any outstanding obligations of the authority."

34 Sec. 2. This act is effective upon ratification.